



**Bundl
Venture Club**

How to effectively measure corporate venturing efforts

The new NICE framework for customising and tracking key success factors.

This new framework was inspired and developed in collaboration with the following corporate entrepreneurs (venture club members) and Bundl venture architects.



Annika Fichtner



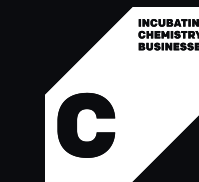
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Tobias Ledermann



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Thomas Van Halewyck



Sam de Smedt



Thanks for sharing your expertise, insights, and experiences at the roundtable aimed at measuring the success of venturing efforts.

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NICE Metrics

- Non-financial
- Implementable
- Contextual
- Evolving

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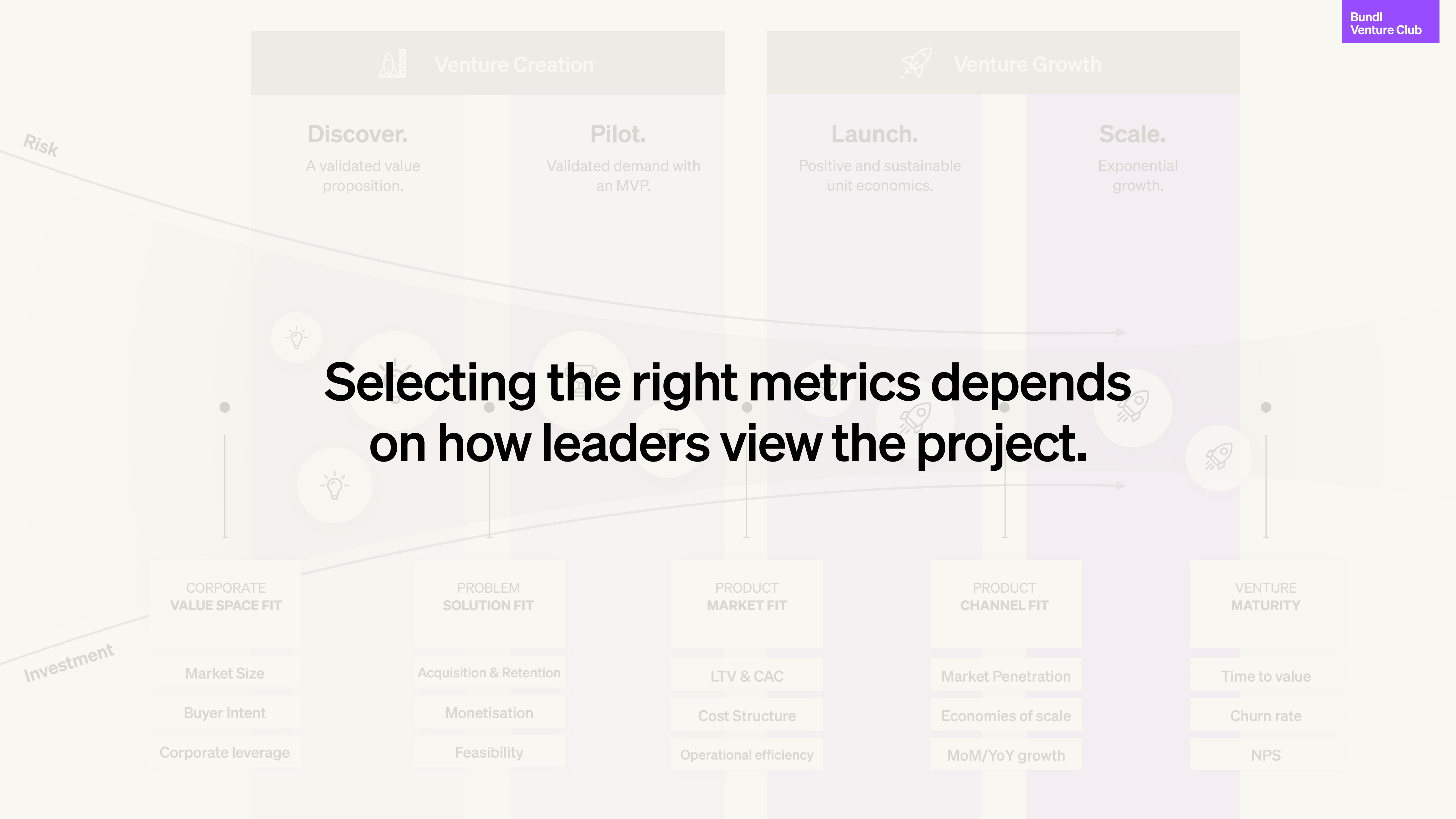
Why broader measurement is critical

03

NICE Metrics

- Non-financial
- Implementable
- Contextual
- Evolving

Our roundtable discussion focused on selecting the right metrics at each stage of the venture journey, and it was soon evident that...



Selecting the right metrics depends
on how leaders view the project.



Venture Creation

Discover.

A validated value proposition.

Pilot.

Validated demand with an MVP.



Venture Growth

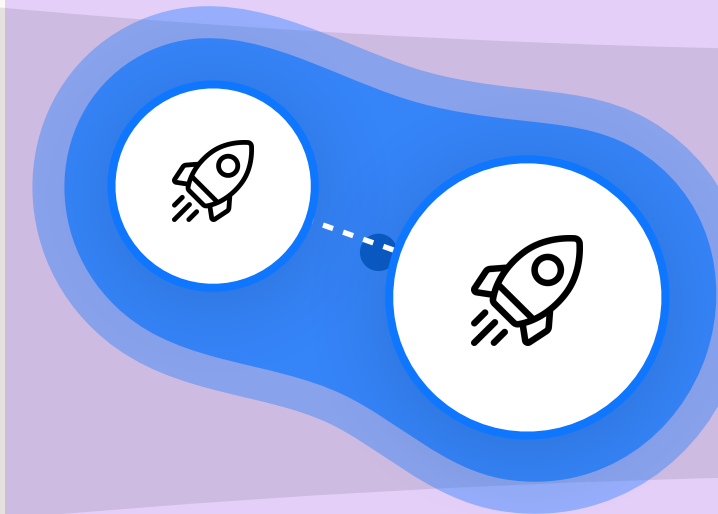
Launch.

Positive and sustainable unit economics.

Scale.

Exponential growth.

“Are we comparing different ventures in the **launch phase?**”





Venture Creation

Discover.

A validated value proposition.

Pilot.

Validated demand with an MVP.



Venture Growth

Launch.

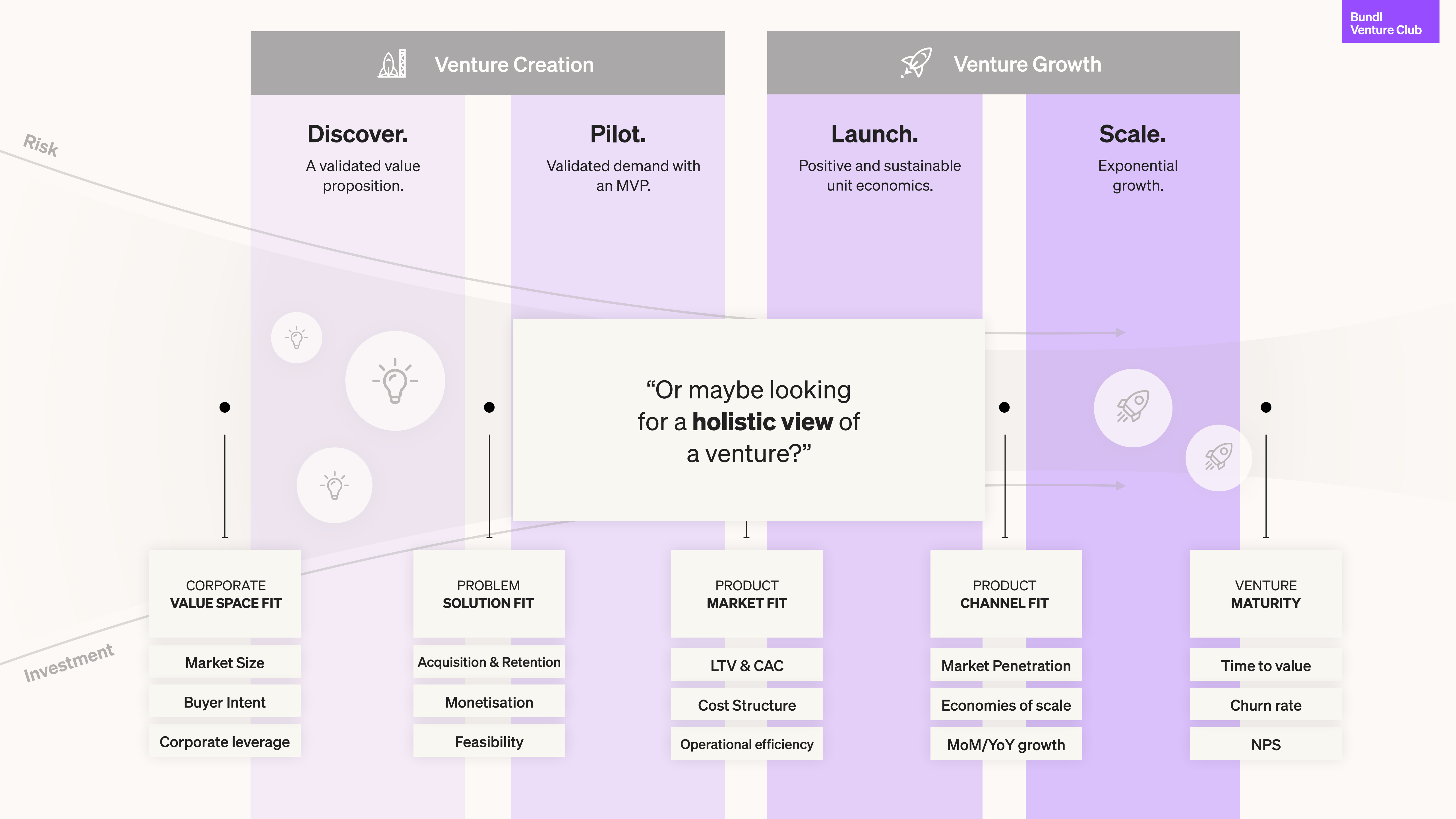
Positive and sustainable unit economics.

Scale.

Exponential growth.

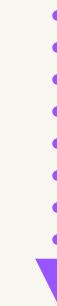
“Or comparing ventures in different phases?”



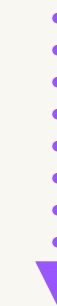


**It turned out to be a
tricky subject,
raising new thoughts
and considerations:**

**What metrics truly define success and
show the value of our ventures?**



**Can intangible and non-financial
metrics be a marker of success?**



**How do we incorporate metrics without
impeding innovation and creativity?**

Two major points became clear:

1

Commonly used
metrics don't tell
the entire venture story

2

There is no one-size-fits-all
set of metrics, even
between ventures

**The conventional metric set
should be expanded to reveal
the true success of venturing
efforts.**

“We aim for a holistic view to understand where we want to go, what we want to achieve in a certain amount of time and the kind of investment it would require. We think of it backwards from the investor perspective to tailor teams, KPIs, and goals.”

Lisa Schneider, Portfolio Manage at Chemovator

On the topic of framing metric selection

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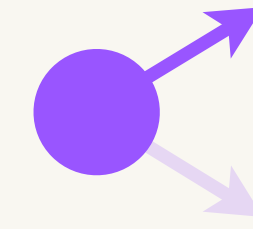
**Why broader
measurement is
critical**

03

NICE Metrics

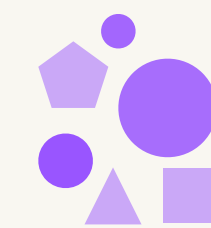
- Non-financial
- Implementable
- Contextual
- Evolving

At the end the day, we measure to inform decision-making



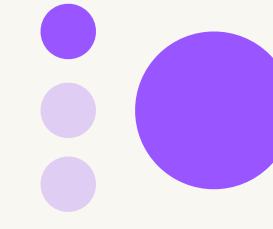
Move forward with confidence

Assess whether you and your team's energy is focused on the right activities.



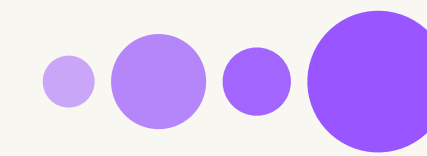
Trigger behavioural changes

Influence internal behaviours and attitudes and align innovation with company goals.



Assess and predict effectiveness

Evaluate how your organisation allocates resources and spot areas for improvement.



Set benchmarks for the future

Set a baseline for upcoming projects and show the value of the entire innovation cycle.

**From this, a new framework for
setting metrics can be
developed...**

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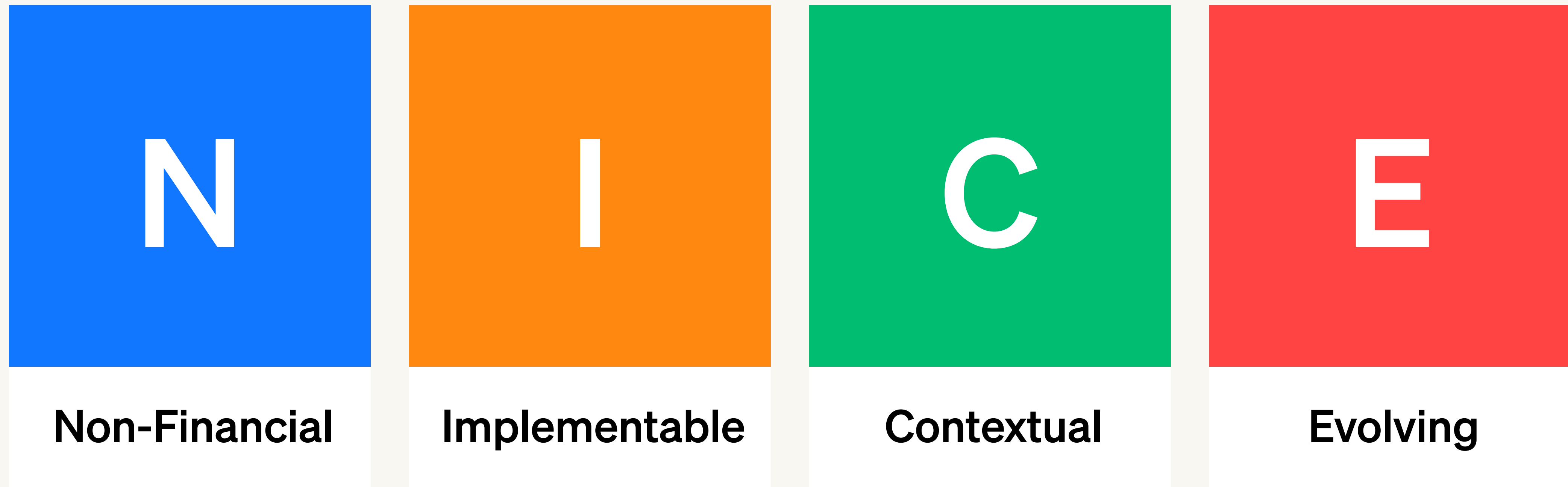
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03

NICE Metrics

Introducing the NICE framework for measuring venture efforts

The NICE framework for venture metrics



Non-Financial

**Not everything that can be counted
counts, and not everything that
counts can be counted.**

Non-financial metrics

Most stakeholders use financial metrics because they are unambiguous, readily available, and widely understood within most organisations.

But overemphasising them as the core measure of success misdirects attention away from other values gained from innovation activities.

The pitfalls of financial metrics.

Innovation is hard to measure in monetary terms.

Innovation processes are not always reflected in business accounting (despite its value for business).

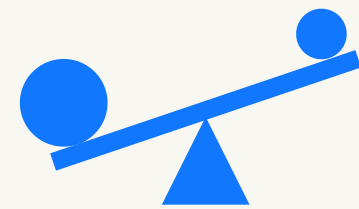
Most financial metrics are assumptions.

A business case involves making predictions on future revenues and P&Ls. But relying on these (unvalidated) spreadsheets as real scenarios can cause issues in how a project defines success.

Tracking ROI can disrupt the process.

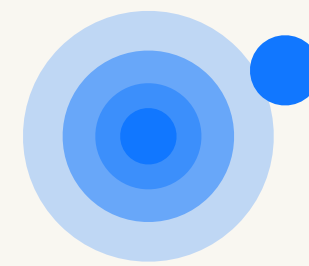
Using metrics like ROI leads stakeholders to estimate what an idea is worth without a realistic view. Bringing ROI into discussions too soon undermines the innovation process and prevents teams from experimenting, learning and failing forward.

Non-financial metric category examples include:



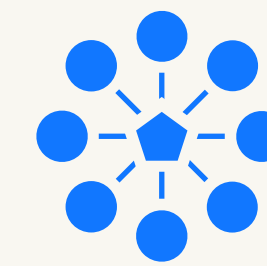
Leverage Metrics

- % of initiatives that involve other players in the ecosystem (partners, suppliers, customers, etc.)
- % of initiatives that are set up with multiple companies (joint ventures)



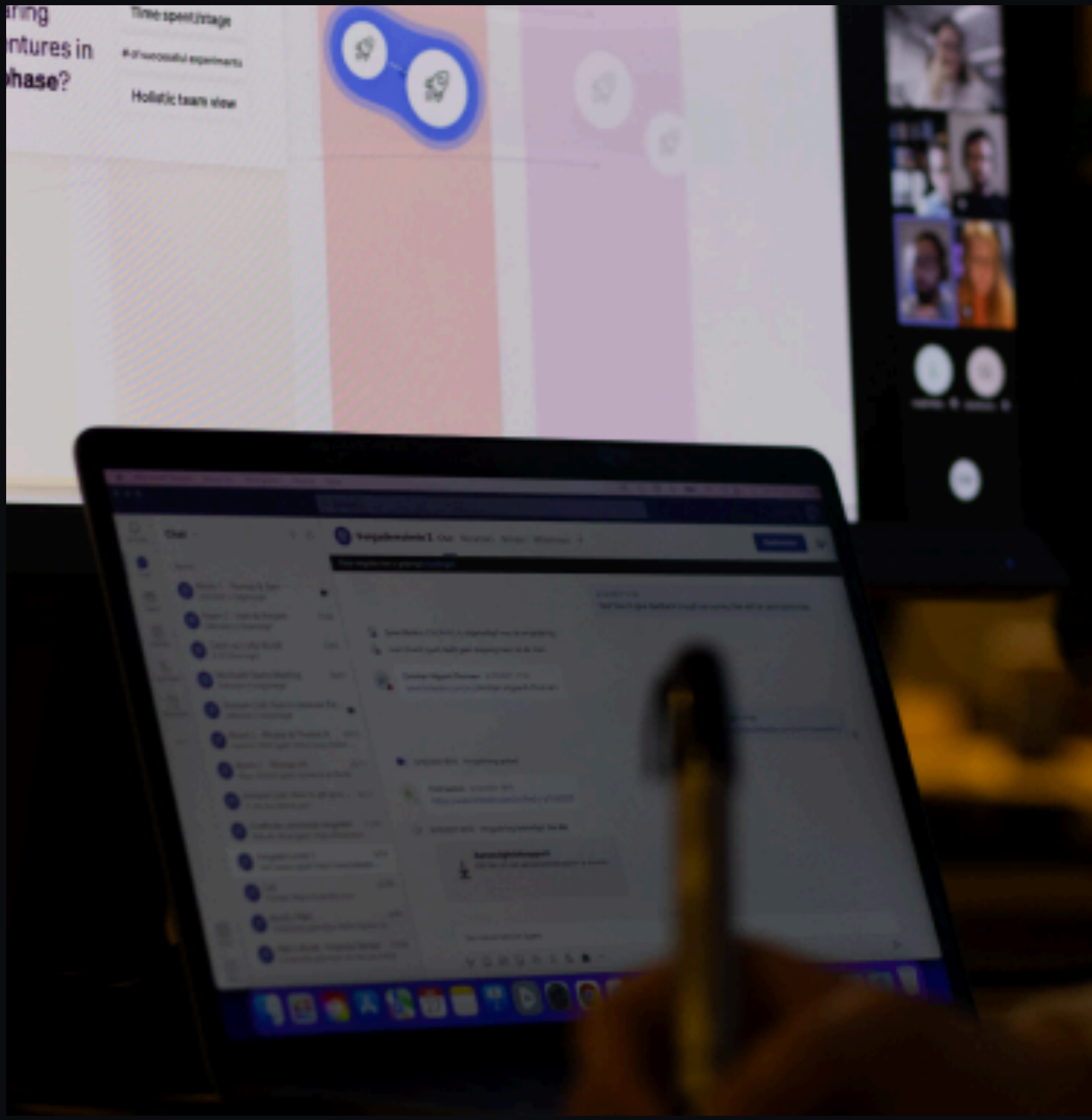
Audacity Metrics

- % of innovations that look beyond the core business
- % of initiatives in new markets
- % of initiatives targeting new customer segments



Engagement Metrics

- Diversity of innovation teams (involvement from different management layers)
- Amount of initiatives triggered by internal employees
- % of employees engaged in innovation annually
- Amount of hours spent by higher management



Join the next roundtable

Have real conversations with fellow corporate entrepreneurs about all things corporate venturing at the next virtual roundtable.

Topics range from building your own incubator to determining the right venturing methods for sustainability.



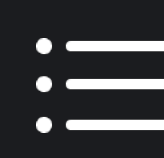
Rooms designed
for discussion



Learn from experienced
corporate entrepreneurs



2-hour session
every 2 months



From strategic questions
to tangible action

[Book a seat](#)

Implementable

Every time you invest energy in collecting data, ask yourself: How will these results help me make better decisions?

Implementable metrics

Innovators need to pay attention to metrics that support decision-making. But finding these metrics means prioritising executable metrics rather than vanity metrics.

The pitfalls of vanity metrics.

Overly simplistic and misleading.

Vanity metrics are sometimes too simplistic and easy to measure (e.g. website visits). In most cases, improving these numbers doesn't bring additional value to the project.

Volatile and uncontrollable.

Vanity metrics are difficult to replicate because they're often part of a more complex system that's not addressed or measured. As a result, these metrics can be misleading at times.

Only a piece of the puzzle.

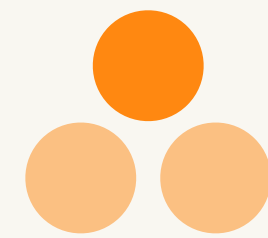
Vanity metrics don't show the entire picture and don't reflect the entire truth. These metrics lack nuance and context and can inhibit good decision-making.

Metrics that help decision-making



Split test results

- Click-through rate
- Cost-per-click
- Sign-up rate



Per-customer metrics

- Average basket value
- Customer acquisition cost
- Customer lifetime value



Funnel metrics

- Churn
- Retention rate
- Cost of activation
- Revenue per interaction

“How long does our validation take or how much money do you spend per venture? Those metrics are hard to define and measure. You first need to establish a baseline; we can’t expect management in larger corporates to understand the nuances of innovation KPIs.”

Tobias Ledermann, Head of Venture Building at DB Schenker

On the topic of creating a metrics foundation

Contextual

**There is no such thing as a playbook, or fixed set of innovation metrics that work in all situations.
So don't go looking for it.**

Contextual metrics

You're looking for metrics that predict success long before a venture launches. But whether a venture is in the startup vs scaleup phase, a B2B vs B2C setting and the target audience are all factors that need to be considered.

Why context matters.

Different organisational levels require different metrics and reporting.

Innovation teams focus on determining factors for their venture or project. Senior management must be able to aggregate these metrics to assess the big picture for a company's strategy.

The boldness of innovation matters.

Traditional accounting metrics are only relevant when a venture is operating in an existing market with familiar customer segments and technology. Exploring unknown territory (radical innovation) requires innovation-specific metrics.

Early-stage ventures are a separate breed.

How do you evaluate progress when all of the most commonly used metrics in established ventures (ROI, retention rate, cost per lead) are effectively zero? Early-stage ventures require a set of qualitative metrics instead of quantitative ones used in late-stage ventures.

Metrics that consider context.

Adjusted to management level



Portfolio level metrics

- % of revenue from new ventures vs. core activities
- % of new customers from venturing vs. core activities
- Return on capital invested at various stages
- Market-based returns over time



Venture level metrics

- Monthly recurring revenue (MRR)
- Customer Lifetime Value (CLV)
- Renewal rates

Adjusted to innovation type



Incremental innovation

- Time to breakeven
- Value at Risk
- Return on Investment



Disruptive Innovation

- Problem - solution fit
- Feasibility
- Testability

Adjusted to venture maturity



Early stage

- Buyer intent
- Market size
- Corporate leverage



Later stage

- Net promotor score
- YOY Growth
- Market penetration

Evolving

Corporate innovators should test which metrics work and try to develop their own ‘measurement dialect’ over time.

Evolving metrics

Measuring innovation isn't a static process. It must evolve with the innovative competencies of an organisation. A set of metrics should be built step-by-step as the innovation expertise in the organisation grows.

The pitfalls of static metrics.

Evolving channels and markets call for new metrics.

New approaches for GTM strategies or product interactions require different measurements. Digitalisation triggered new (funnel) metrics such as CTR, CPC, retention rate, etc.

Diving into an extensive set of metrics right away is dangerous.

If you try to implement too many metrics at once, it's bound to get messy. A better approach is to choose a limited number of metrics to start with before gradually adding on new or removing less relevant ones.

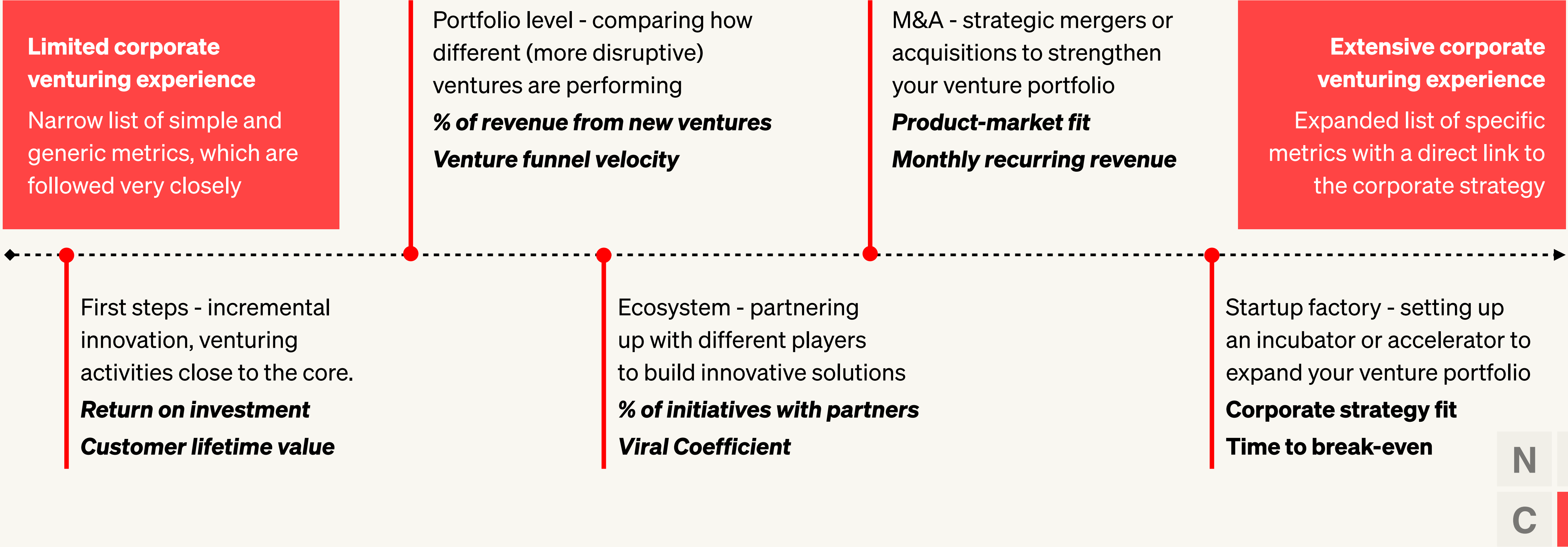
Sticking to a fixed set of metrics doesn't foster progress.

Try to be flexible when measuring innovation. Your core beliefs and strategies should be robust but not rigid.

Finding the right metrics is an ongoing quest; iterations and improvements are essential.

Evolving metrics

Metrics that reflect your corporate venturing experience.

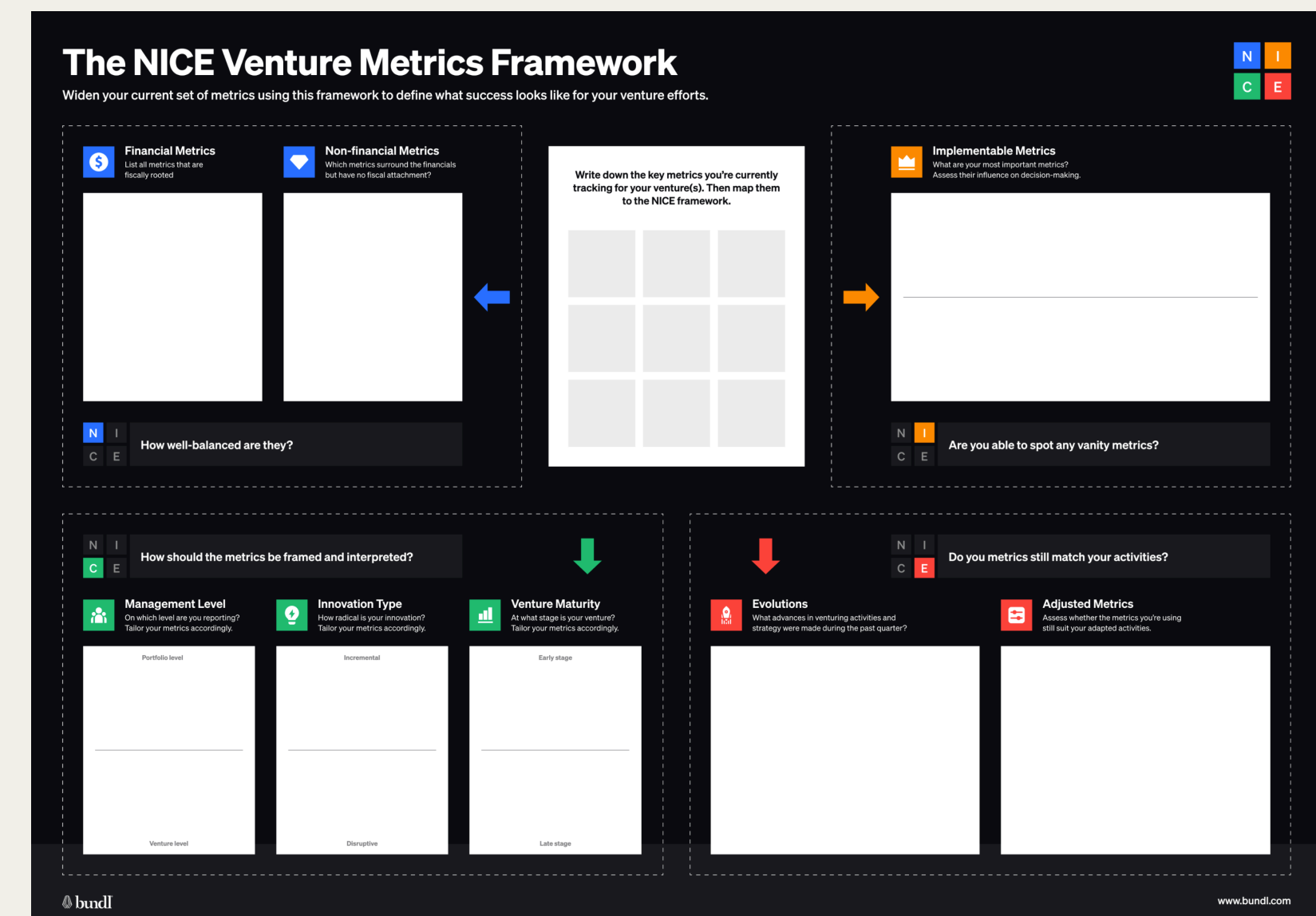


Make it actionable

The NICE framework was designed to accommodate industry changes, allowing it to be completely customisable as your strategy, customers, and ventures evolve.

Using the interactive canvas will help you get a bird's-eye view of your efforts path to success - it also reveals what needs to be adapted in your approach in order to achieve this new perspective of success.

We recommend revisiting this exercise every quarter to ensure you're prioritising the right metrics for your current stage of growth.

[Print version](#)[Online version](#)

Need assistance selecting the right metrics for your venture efforts?

We can guide you through the process and help your corporate venture reach its true potential.

Feel free to reach out and start the conversation.



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